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Adopted June 1, 1990 ~ Last Revised May 3, 2021

Mission Statement: Quality water for southwest North Dakota

Vision Statement: People and business succeeding with quality water

Southwest Water Authority does not discriminate on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or the provision of services.

Pursuant to the By-Laws of the Southwest Water Authority (hereinafter referred to as SWA), the Board of Directors (hereinafter referred to as the Board) hereby adopts the following Rules and Regulations. The Board may, from time to time, amend and revise these Rules and Regulations as it deems necessary to continue the efficient operation and management of the system which is owned by the North Dakota State Water Commission (hereinafter referred to as SWC).

I. OBJECTIVES

- A.** To conduct the business affairs of SWA in a manner that will result in a successful and efficient operation.
- B.** To treat all customers alike with respect to recurring situations.
- C.** To provide high-quality service to the customers of SWA at lowest possible cost, consistent with sound business practices.
- D.** To make available to the customers the Rules and Regulations of SWA.
- E.** To create a favorable image among the customers and general public.
- F.** To promote maximum beneficial utilization of water among the customers by providing additional services desired by customers within the design parameters of the system.
- G.** To represent at all times the interests of the customers in a fair and equitable manner.

II. DEFINITIONS

Constant Flow: Uniform delivery of water throughout a twenty-four (24) hour period by using a flow restrictor device. Storage must be provided by the customer.

Customer Connection Point: The point at which the customer's private system is connected to the curb stop or meter pit.

Cross Connection: Any actual or potential connection between the SWA water supply and any other source or contamination or pollution. This includes any other water source. The five devices that can be used to correct a cross connection:

- 1. Air Gap:** the physical separation of the potable and non-potable system by an air space. The vertical distance between the supply pipe and the flood level rim should be two times the diameter of the supply pipe, but never less than 1". The air gap can be used on a direct or inlet connection and for all non-potable water substances.

- 2. Atmospheric Vacuum Breakers:** may be used only on connections to a non-potable system where the vacuum breaker is never subjected to back-pressure and is installed on the discharged side of the last control valve. It must be installed above the usage point. It cannot be used under continuous pressure. Hose connection vacuum breakers may be used on sill cocks and service sinks.
- 3. Pressure Type Vacuum Breakers:** may be used as protection for connections to all types of non-potable systems where the vacuum breakers are not subject to back-pressure. These units may be under continuous supply pressure. They must be installed above the usage point. Back-flow preventers with intermediate atmospheric vent may be used as an alternate equal 1/2" and 3/4" pressure type vacuum breakers and in addition, provide protection against back pressure.
- 4. Dual Test Type Meter-Double Check Valve Assembly:** may be used as protection for all direct connections through which foreign material might enter the potable system in concentration which would constitute a nuisance or be aesthetically objectionable, such as air, steam, food or other material which does not constitute a health hazard.
- 5. Reduced Pressure Zone Device:** may be used on all direct connections which may be subject to back-pressure or back-siphonage, and where there is the possibility of contamination by the material that does constitute a potential health hazard.

Demand Flow: The system will provide storage and service on a demand basis.

Distribution Pipeline: Pipelines that provide service to rural and/or individual customers.

Expansion Tank (Thermal Expansion Control): Whenever a check valve or back-flow prevention device is installed, which prevents the expansion of water from a water heater to the building water service, a device for controlling thermal expansion must be installed.

Hydraulic Study: Perform hydraulic analysis of proposed additional customers and/or for requested increases in capacity to estimate the probable effect on service to other customers in the designated service area.

Livestock Use: The use of water for stock watering. The system design is based upon spreading such use uniformly throughout a twenty-four (24) hour period. Stock tanks will be used for watering of livestock. SWA discourages the use of "on-demand" water fountains since such equipment does not provide storage or allow the water use to spread over a twenty-four (24) hour period. Stock water devices must be equipped with atmospheric vacuum breakers or a dual test type backflow preventer. Installation of bottom type fill livestock waters or other devices that may allow back siphoning into the Southwest Pipeline distribution system are considered cross connections and are strictly prohibited unless the customer arranges to have a dual test type back-flow preventer installed by the SWA. SWA has dual test type backflow preventer/meter combinations that can be purchased and installed to meet this requirement.

Transmission Pipe line: Pipelines that serve cities and distribution pipelines.

Pressure Reducing Valve: An automatic valve designed to reduce the higher inlet pressure to a steady lower downstream pressure regardless of changing flow rates and/or varying inlet pressures.

Rural Residential Development Area: A tract of property that has been properly platted into rural residential lots for resale to individual homeowners.

Service Pipeline: The pipeline running from the transmission pipeline or distribution pipeline to the curb stop or meter pit that serves a customer.

Temporary Disconnect: Any interruption of water service not of permanent nature.

Tenant: A person paying the water bill for a water service location on property not owned by that person. Tenants desiring service will need written authorization from their landlord. The landowner must be a co-signer and is responsible for the terms of the “Water Customer’s Information and Agreement.

Yard Area: The area of a farmstead, rural residence, cabin, place of business, commercial feed lot, house lot, or other accepted and approved service location which contains buildings, fences, wells, windmills, buried pipes, buried wires, sewers, or other obstructions such that the installation of buried waterline by large high production trenching equipment is rendered impractical or very difficult.

III. TYPES OF CUSTOMERS

Customers will be classified according to the type of water customer sign up. All changes in customer type must be processed through SWA’s office. The types of customers will be classified as follows:

A. Livestock Pasture Customer: A customer sign up restricted to livestock use. These will only be located along transmission lines, not to exceed 325’, which are there to serve other customers. Where a livestock sign up cannot be serviced because of location, SWA may offer to serve the site as a “Standard Customer” provided that the customer who exceeds 325’ agrees that the sign up designation will remain “Standard” for five (5) years; or provided the customer agrees to pay the cost of installing the line from the transmission line to the service location; or customer agrees to move the sign up to a location which meets the distance restriction for a pasture tap before construction. Standard customers who use water for livestock purposes only may at the end of five (5) years request conversion to a livestock pasture customer. These requests will be considered on a case by case basis with no assurance such customer may convert to a livestock pasture customer. **See Section IX Item B.**

B. Seasonal Customer:

Type 1. Cemeteries: A sign up restricted to seasonal use. The sign up will only be located along transmission pipelines or distribution pipelines, not to exceed 325', which are there to serve other customers. Where the sign up cannot be served because of location, SWA may offer to serve the site as a "Standard Cemetery Customer" provided that the customer who exceeds 325' agrees to sign up as a standard cemetery customer, and agrees that the sign up designation will remain "Standard Cemetery" for five (5) years; or provided the customer agrees to pay the cost of installing the service pipeline from the transmission pipeline or distribution pipeline to the service location. Standard customers who use water for cemetery purposes only may at the end of five (5) years request conversion to a cemetery customer. These requests will be considered on a case by case basis with no assurance such customer may convert to a cemetery customer.

Type 2. Parks, Recreation Areas, Golf Course and Seasonal Cabins: A water customer sign up located at a cabin, trailer, parks, recreation area, golf course, or place of business or other approved service location which is occupied seasonally and which is within a recognized resort area. Water use at said sign up will be restricted to household and limited lawn watering.

See Section VIII Item D

Type 3. Seasonal Cabins: A customer sign up in a platted and recorded subdivision, considered a high density area in the vicinity of a lake or reservoir within a recognized recreational area. Structures will be limited to a mobile home, double-wide or smaller, single-story building. Water use will be seasonal single family household use with limited yard watering. Customer will agree to a three gallon per minute flow restrictor.

C. Standard Customer: A customer sign up located at a dwelling or trailer or place of business or other approved service location. Water use at said sign up will be primarily used for domestic uses, and limited livestock, irrigation, industrial, or recreation uses.

D. High Consumption Customer, Standard Meter: Any standard customer sign up which uses more than 25,000 gallons/month typically due to watering of livestock or as authorized by SWA for other uses. High consumption customers should subscribe for an adequate number of service units not to exceed four (4) service units (100,000 gallons per month). A customer who exceeds 100,000 gallons per month or 1.2 million gallons per year will be required to change from high consumption to small business contract. The sign up fee for initial high consumption customers will be increased by 1/4 times the sign up fee for each additional service unit, and the minimum monthly water service charge for high consumption customers will be increased by 1/4 times the standard minimum for each additional service unit. High consumption customers may be subject to restriction if they use more capacity than

they subscribe for. High consumption customers have the responsibility of spreading their use (other than domestic use) uniformly over a major portion of the twenty-four (24) hour day.

- E. Small Business:** Any customer sign up which can be adequately served by a standard (5/8" x 3/4") meter assembly but places special demands on the system will be provided service based on a water purchase contract. Examples include recognized NDDOT rest areas, feed lots, motels, car washes, filling stations, dairies, laundromats, restaurants, multiple housing facilities, mobile home and trailer courts, factories, schools, colonies or other similar high demand customers. The water service contract will specify minimum annual water purchase, maximum flow rate, point of delivery, pressure and whether the customer will be a Demand or Constant Flow customer.
- F. Contract Customer:** Any customer sign up which cannot be adequately served by a standard (5/8" x 3/4") meter assembly or that places special demands on the system will be provided service based on a water purchase contract. The water service contract will specify if customer is sole source or contract user will have minimum annual water purchase, maximum flow rate, point of delivery and pressure. Sole source will not have a minimum annual water purchase, whether the customer will be a Demand or Constant Flow customer. The system will provide storage and service on a demand basis for Demand customers. A Constant Flow customer will be required to install storage facilities for water use and will receive water service which is uniformly delivered over a twenty-four (24) hour period.
- An organized community with a municipal distribution system must serve at least 50% of its potential connections in order to be served as a contract customer.

IV. CLASSES OF APPLICANTS

Applicants for service will be classified according to the date and circumstances surrounding their application for service as follows:

- A. Initial:** An applicant who made application for service prior to April 2001 or after March 2021.
- B. Final:** An applicant who makes application for service prior to the "final design" cut off date.
- C. Late:** An applicant who makes application for service after the "final design" cut off date and prior to the "bid opening" deadline.
- D. Construction:** An applicant who makes application after "bid opening" and prior to completion of construction for a specific contract will be referred to as a "construction" sign-up and may be eligible for service under a said contract provided that the sign up meets the cost criteria, that capacity is available, and construction dollars are available to install the service line. The customers considered are to be broken into two groups, one group to be

eligible for service line installation during construction and the second group eligible for service line installation at the conclusion of construction. The following guidelines would apply:

1. Such applicants must pay double the late sign-up fee charged prior to contract bid date.
2. The good intention portion of the sign up fee will be forfeited by the applicant if for some reason they cannot be served. The remainder will be returned to the applicant.
3. Applicants must agree to the terms of the “Water Customer’s Information and Agreement” if service is provided.
4. Cost of construction for the first group must not exceed 20% of the allowable construction cost for each equivalent service unit, unless specifically approved on a case by case basis by SWC & SWA management.
5. Cost of construction for the second group must not exceed the total allowable construction cost for each equivalent service unit.
6. Priority will be given to those applicants with the lowest construction cost based on the engineer’s estimate.
7. Contingent upon necessary easement acquisition.

D. 1. Construction - New Property Owner Option: Individuals who purchase property within a service area, after the sign up cut off date, can sign up as a construction applicant. They may be eligible for cost sharing for that portion of the service line from the distribution line connection to the edge of the yard, provided they sign up prior to construction of the nearest project distribution pipeline connection. Eligibility for cost sharing will be based on the following conditions:

1. Must be hydraulically feasible to serve location.
2. A service line route will be determined by project engineer.
3. Provide proof of purchase after sign up cut off date.
4. Deposit with the Southwest Water Authority, the entire cost of the service line installation, based on Contract unit prices plus subsequent customer fees, prior to construction.
5. Individual is responsible for all service line connection costs from curb stop or meter pit at edge of yard to residence, in accordance with SWA Rules and Regulations.
6. Reimbursement, contingent upon available funds at end of the project as determined by the State Water Commission, will be made for up to 100% of the actual service line construction cost not to exceed an amount determined by the Commission. If available funds at the end of the project do not allow for a full 100% reimbursement, qualified individuals will receive a pro-rated portion of the available funds such that each new property owner signing up as a construction applicant receives the same percentage of

reimbursement for their individual service line costs. Good Intention fees will not be included in any reimbursement.

7. Contingent upon necessary easement acquisition.

E. Subsequent: An applicant who makes application for service after construction has been completed for a service area. Eligibility for service will be based upon the following conditions:

1. Must be hydraulically feasible to serve location. Hydraulic study cost to be included in the sign-up fee.
2. In addition to sign up fees, subsequent customers are also responsible for furnishing, installing and maintaining the portion of the service line from the transmission line to the meter, including the curb stop and box. Should a meter pit be required or desired, such meter pit would replace the curb stop located on the customer's property. Such facilities will be installed to SWA's requirements and will be completed by a contractor acceptable to SWA. Should it be necessary to extend a transmission line to provide service to a subsequent user, **please review Section XV.**
3. Acquisition of all necessary permits & easements.

V. FEES AND WATER RATES

Fees for all types of service will be set by the Board and subject to change.

- A. SWA** reserves the right to install meter pits at any customer hookup location to facilitate operation and maintenance of the system, depending upon construction bids received and funds available, as determined by the Board.
- B. Good Intention Fees** will not be refundable. If a good intention fee has been paid by a customer to an existing rural water cooperative within the service area, it will be accepted in lieu of a good intention fee to SWA.
- C. Hookup Fees**, once paid, will be non-refundable unless the water system does not become a reality or it is determined by the Board that the sign up cannot be served. If the water system does not become a reality, the prorated share of expenses may be subtracted from any refund. Refunds will not include interest.
- D. Partial Payments of New Sign up Fees** are not allowed. Two notices will be sent to customers with outstanding signup fees. The first notice will be sent when SWA proceeds with canvassing an area for signups. This notice will advise that the customer is in the service area which is scheduled for design and will ask that the customer pay in full if still interested in receiving water from SWPP. The FINAL NOTICE will be sent when the service area is

authorized for final design. This notice will state that the customer will be eliminated from the design plan unless the fee is paid in full by the cutoff date. This notice will be sent by registered mail. If the customer does not pay before the stated cutoff date, a letter will be sent advising that they have been dropped from the service area.

E. Hydraulic Study Fees will not be refundable.

F. Water Rates will be determined and established by the Board, and may be increased or adjusted by the Board from time to time as it deems necessary to meet the financial obligations of the project. Water rates are subject to approval by the SWC, project owner.

VI. APPLICATION FOR WATER SERVICE

A. The customer will make application for service, in person, at the office of SWA or at a place designated by SWA.

B. SWA may reject any application for service not available under the standard rate, or which involves excessive service cost, or which may affect the supply of service to other customers, or for other sufficient reasons which will be specified to the applicant.

C. SWA may reject any application for service when the applicant is delinquent in payment of bills incurred for service previously supplied at any location. If the premises of the owner has been served water, and water bills for such service have not been paid, SWA will not be required to render service to anyone at said location, until said water bill has been paid, or until satisfactory arrangements have been made.

D. For violation of any of the provisions of these rules relating to application for service, SWA may at the expiration of seven days after mailing a written notice to the last known address of the customer, remove the meter and disconnect service. If the customer is a tenant, SWA will also give notice to the landowner, and provide an opportunity to correct any past due accounts for such service location. If the customer thereafter requests that the meter be reinstalled, the customer will first pay SWA a minimum service charge plus actual expenses, including mileage and installation charges. The installation charges will be an hourly rate set by SWA, and will be time and a half after normal working hours.

E. Developers will be required to pay an initial engineering feasibility study fee, and upon agreement between SWA and the Developer to serve the development, the Developer will post a cash bond for the costs of construction. Failure to complete the development will result in forfeiture of the bond at terms to be established by SWA.

- F.** Contract Customers which have not contracted for water by January 1, 1990, will be required to sign a water service contract prior to the final design cut-off date or bid opening deadline as determined by the Board.
- G.** “Subsequent” applicants may be subject to water use or other restrictions.
- H.** Customers who request changes to an existing water service contract will be required to sign a new water service contract under the terms and policies currently in effect.
- I.** Customers who signed up as high consumption in order to receive water service must continue as high consumption customers. However, these customers may request a change to standard service if excess cost to provide service is paid in full. Such a change is subject to review and approval of SWA and SWC.

VII. METER DEVICES

- A.** Metering devices provided will include either a meter setter or meter pit dependent upon customer or design circumstances. In either case, each initial, final, standard or high consumption customer of SWA will receive a 3/4 inch x 5/8 inch meter, a 3/4 inch pressure reducing valve, and a 3/4 inch back flow preventer and remote meter readout. Metering devices for contract customers will be dependent on system design and consumptive use. A tenant deposit will be required of tenants applying for service. This charge will not apply to those tenant customers who paid the initial/final sign up fees. The deposit is not negotiable, does not accrue interest, and can be redeemed only at the SWA office, provided all amounts due and owing SWA are paid in full and service is discontinued to that customer. SWA reserves the right to investigate the validity of such requests for a refund and to require the applicant requesting the refund to produce the necessary documentation and proper identification.
- B.** Customers who do not qualify for a SWA supplied meter pit, but request a meter pit, will be responsible for the entire cost of the meter pit and installation.
- C.** Combination Dual Test Type Backflow Preventer and meter can be supplied to customers who choose to maintain cross connections in their system. Typically, this would be a requirement for customers who use bottom type fill livestock waterers. Customers must pay the difference in cost between a regular meter and this device. These devices must also be tested annually and customers will be charged a fee for annual testing.

VIII. NUMBER OF SERVICES PER METER - METER INSTALLATION

- A.** A permanent residence, business facility, or similar building will require one sign up, have one meter, and pay one monthly minimum charge. All other customers will be metered separately, except as follows:
1. Customers who have their homes on the same premises as their commercial establishment and who receive service through the same meter and service line.
 2. In the case of person or persons living in separate dwellings on the premises of the customer and in a joint farming or business operation, receiving half or more of their subsistence from the customer or from direct relief, old age assistance, social security or other social welfare funds and receive service through the same service line, service may be included for both on the same meter. In this case the customer will file with SWA a statement to the effect that such is the case.
- B.** A permanent residence, which may be a mobile home or other dwelling, not associated with a farming operation, will be required to establish a separate signup and have a separate curb stop and meter as if it were a single permanent residence, except as may be otherwise exempted under these policies. Two or more permanent dwellings on a farm including manufactured homes placed on a permanent foundation, will be considered as multiple housing units requiring separate signups.
- C.** Trailer courts and multiple housing units will be required to have a separate signup as a “contract” customer and pay one monthly minimum. All units can be served by one meter, however, a separate storage facility may have to be installed by the customer in cases where there may be an excessive demand for water. Each case will be reviewed by SWA on an individual basis.
- D.** Seasonal dwellings of part-time residents, and range operations, which are separated and/or independent of a farm or ranch location will be required to have a signup and to pay in advance one year of monthly minimum rates.
- E.** When two or more meters are installed on the same premises for different customers, they will be closely grouped and each clearly designated to which customer it applies.
- F.** SWA reserves the right to refuse service unless the customer’s line or piping are installed in such a manner as to prevent cross-connection, or back flow, and all connections from other sources are disconnected.

IX. SWA'S RESPONSIBILITY AND LIABILITY

- A.** Depending on the type of customer, SWA will install a service line from its transmission pipeline or distribution pipeline to a point convenient to SWA at or near the edge of the yard area of the household, at which point SWA will install a curb stop or meter pit.
- B.** For livestock and other seasonal customers, SWA will install a service line and meter pit assembly adjacent to the transmission pipeline or distribution pipeline. If the livestock customer sign up is not located adjacent to the system's transmission pipeline or distribution pipeline, the service line will be installed to a point convenient to SWA just within the property line described in the customer agreement, but not to exceed 325 feet of service line.
- C.** SWA will maintain the pressure reducing valve at a setting of not greater than 45 psi.
- D.** For "contract" customer sign ups, the details of the connection will be described in the water customer agreement.
- E.** SWA will not be liable for damage whatsoever resulting from water or the use of water on customer's premises unless such damage results directly from negligence on the part of SWA. SWA will not be responsible for any damage done by or resulting from any defects in the piping, fixtures, or appliances on the customer's premises. SWA will not be responsible for negligence of third persons or forces beyond the control of SWA resulting in any interruption of service. Nor will SWA be liable for damage of any kind whatsoever resulting from snow melt or rain water run off.

X. CUSTOMER'S RESPONSIBILITY

- A.** Piping on the customer's premises must be arranged so that the connections are conveniently located with respect to SWA's transmission pipeline or distribution pipeline. The customer will furnish, install and maintain the portion of the service line from the curb stop to the customer's metering point. SWA will furnish metering devices as noted in section VII. Installation of each of these items will be a responsibility of the customer and must be installed in accordance with specifications furnished by SWA.
- B.** "Subsequent" customers are also responsible for furnishing, installing, and maintaining the portion of the service line from the transmission line to the meter, including the curb stop or a meter pit if required. Such facilities will be installed to SWA's requirements and will be completed by a contractor acceptable to SWA. A "Subsequent Customer Installer Approval Form" and "Verification of Rural Water Service Connection" must be submitted to SWA before water service will be turned on. Should it be necessary to extend a transmission

pipeline or distribution pipeline to provide service to a subsequent water customer, **please review section XV.**

- C.** If the customer's piping on customer's premises is so arranged that SWA is called upon to provide additional meters, each place of metering will be considered as a separate and individual sign up.
- D.** The customer must provide a suitable frost-proof place, acceptable to SWA, for a meter on the customer's premises. It must be unobstructed and accessible at all times for reading.
- E.** The customer's piping and apparatus will be installed and maintained by the customer and at the customer's expense, in a safe and efficient manner and in accordance with SWA Rules and Regulations and in full compliance with the sanitary regulation of the State Department of Health. The customer's private piping will be installed in such a manner as to prevent cross-connection or back flow, and all connections from other sources will be disconnected.
- F.** The customer will guarantee that SWA property be placed on the customer's premises and will permit access to it by authorized representatives of SWA.
- G.** In the event that any loss or damage to the property of SWA or any accident or injury to person or property is caused by or results from the negligence or wrongful act of the customer, his agent, or employees, the cost of the necessary repairs or replacement will be paid by the customer to SWA and any liability otherwise resulting will be assumed by the customer. The amount of such loss or damage or the cost of repairs will be added to the customer's bill and if not paid, services may be disconnected by SWA.
- H.** Water furnished by SWA will be used according to the classification of the customer. The customer will not sell water to any other person. Water will not be used for irrigation and automatic sprinkler systems nor other purpose, except that when water is available in sufficient quantity, without interfering with the regular classified use, in the area served, the water may be used for other lawful purpose. Disregard for this rule will be sufficient cause for the refusal or discontinuation of service.
- I.** In regard to watering livestock, the customer may be required to provide a flow restrictor or other device, acceptable to SWA, so that water will be more uniformly delivered to the livestock throughout a twenty four (24) hour period. This policy may also be applicable to customers using water for spraying and other high water usage other than domestic use which may cause undue hardship to other customers of SWA. Stock watering devices must be equipped with atmospheric vacuum breakers or a dual test type backflow meter combination to replace existing meter. Cost and installation of these devices, as well as annual required testing, are the customer's responsibility. **See Section VII.**

- J.** Installations of bottom type fill livestock waters or other devices that may allow back siphoning into the Southwest Pipeline distribution system are considered cross connections and are strictly prohibited unless the customer arranges to have a dual test type backflow preventer installed by the SWA.
- K.** Those customers who use more than the units purchased will be required to pay for the amount of extra units required to service the gallons used. Such usage patterns will be reviewed by SWA during the peak use months of May through September as well as over a twelve (12) month period. These customers will also be required to pay for a hydraulic study to determine if the usage can be maintained on an ongoing basis without impacting the usage of other customers. If other customers are impacted, a flow restrictor will be installed.

XI. METER READING - BILLING - COLLECTIONS

- A.** Minimum payments are due monthly, in advance. Each customer will read their meter the first week of each month and remit the reading on the monthly billing card along with payment due indicated on the bill to the office of SWA. Livestock pasture taps and seasonal customers must pay their minimum billing for the upcoming year on an annual basis, on November 1 of each year.
- B.** During the initial construction of the system, each customer will be notified in advance of the time service will be available. The charge for service commences when water is available at the customer connection point whether used or not. The customers notified between October 1 and April 15 will have two options of connecting to service.
 - 1. Connect to service between October 1 and April 15 and begin paying the monthly minimum upon connection.
 - 2. Wait until May 1 to connect to service and begin paying the monthly minimum. Payment of the monthly minimum will be made by the customer on May 1 whether or not the connection for service has been made.

Once water becomes available from SWA, the customer will pay for such water service for a minimum of five (5) years, and the customer will pay liquidated damages of an amount equal to the minimum billing for five (5) years if the customer fails to pay for water service after water is available. If water is available for less than a complete billing period, the minimum service charges will be prorated for pasture taps and seasonal customers. A remote meter readout device will be installed by the customer, however, in the event that a difference occurs in the amount of water use recorded by the remote readout device versus the meter, the reading on the meter will govern.

- C.** Bills will be declared delinquent after the 20th day of the month for services billed monthly and November 20 for services billed annually. Thereafter, service may be discontinued by SWA with notice to the customer, and to the landowner if the customer is a tenant. All delinquent bills are subject to a late charge.
- D.** Readings from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different premises, or for the same or different services. Estimated bills will be rendered for customers who fail to submit a meter reading when required. A charge will be applied to customer's billing for each time that a meter reading is not provided in a timely manner.
- E.** By the 20th of the 2nd consecutive month, if there is no meter reading received, the meter will be read by SWA personnel, for which there will be a charge added to the next bill.
- F.** SWA will verify all meter readings randomly. SWA will also obtain readings as often as it feels necessary. If the meter reading reported has been falsified and has more than 10% water use difference, that is, more water use than recorded, a penalty will be assessed. The penalty will be determined by the average water usage for the previous twelve (12) months.
- G.** Hi-lo pressure gauges may be installed in service lines to assist systems management to monitor system hydraulics.
- H.** SWA will use whatever means available to recover payment for bad checks received for payment of water bills, materials and supplies, or any other services performed by SWA. Such accounts will be treated as delinquent accounts and the charges applicable to such accounts will be charged. Additional expenses incurred by SWA to make payment good will be borne by the customer. There will be a charge on all checks returned from the bank.
- I.** SWA may refuse personal checks for payment of amounts due from customers who have established an unreliable payment record; or SWA may require a security deposit (which will not accrue interest) in an amount sufficiently equal to three month's average bills. SWA reserves the right to check credit references before accepting application for service, renewing service, or to continue water service.
- J.** SWA will implement appropriate collection measures to collect accounts over 60 days past due.
- K.** Any necessary court action will take place in the appropriate court (Small Claims, District Court or other) so that a lien may be placed against the property where the unpaid connection is located.
- L.** Any expenses incurred in the collection of past due accounts will be added to the service location account.

M. Once water service is permanently disconnected it can only be restored after all unpaid minimums are paid, all expenses incurred in the collection of past due amounts and a reconnect charge is paid; or a new hookup fee is paid; whichever is less. The cost to reconnect service will never be more than a new hookup fee. A new hydraulic study may be required.

XII. CHANGE OF OCCUPANCY/TRANSFER OF SERVICE

- A.** Not less than seven (7) days' notice will be given by the customer to SWA's office in person or in writing, to discontinue service or change occupancy. A "Service Transfer" form must be completed.
- B.** There will be a fee applied to those customers who transfer their sign up after construction is complete and the service area is turned over to SWA. Any transfers done prior to construction will not be charged.
- C.** The outgoing party will be responsible for all water consumed up to the time of departure or the time specified for departure, whichever period is longest.
- D.** In the case of property being sold, or transferred, SWA service and water sign up will remain with the property. A customer selling property on which a service connection is located will relinquish his or her service with SWA for that location. A customer is not entitled to transfer their service to a new property location except prior to construction.
- E.** If the transfer or sale of property occurred before construction, the transfer fee will be waived. Evidence of the date of sale or transfer must be presented to SWA.

XIII. ACCESS TO PREMISES - EASEMENTS- CROP DAMAGES

- A. Access.** Duly authorized representatives of SWA will have access, at all reasonable hours, to the premises of the customer for the purpose of installing or removing SWA's property, inspecting piping or equipment, reading or testing meters or for any other purposes in connection with SWA's service and facilities.
- B. Easements.** Each customer will grant or convey, or cause to be granted or conveyed, to SWA a permanent easement and right-of-way across any property owned or controlled by the customer wherever said permanent easement and right-of-way is necessary for SWA water facilities and lines.
- C. Refused Easement.** This policy applies to any parcel of property on which SWA needs an easement to construct its system and on which the owner refuses to grant an easement. For each such parcel, the construction cost increase caused by the refused easement will be calculated and recorded in the records of SWA. If water service from SWA system is desired

on said parcel or any other property owned by a person who has refused to grant an easement, such person, if the applicant, will be required to pay for the construction cost increase due to such refused easement, in addition to any regularly applicable signup fees and charges for water service.

- D. Crop Damage.** SWA will not reimburse for crop damage resulting from initial construction of SWPP project features. However, SWA will pay a one-time crop damage reimbursement resulting after the project feature is constructed and is in operation, and the warranty period covered by contract documents has ended. Compensation will be based upon the actual average yield for the field in question and the price of the product at the time the damage occurs. The Marketing Manager of SWA is authorized to negotiate a settlement with the property owner, and is authorized to accomplish a settlement provided the total of settlement does not exceed \$500. If the proposed settlement is in excess of \$500, approval is required by the Manager. No crop damage will be paid when the crop exists within road right-of-way.
- E. Miscellaneous Damage.** Request for miscellaneous damage reimbursement will be considered on a case by case basis. If damage is in excess of \$500.00, reimbursement approval is required by the Manager.
- F. Pipeline Trench Filling and Settling.** After initial construction of SWPP project features, the contractor is responsible for filling areas where soil has settled in the pipeline trench during the warranty period covered by contract documents. After the warranty period has expired, SWA will pay a one-time reimbursement or payment to repair settling of soil in the pipeline trench where such settling of soil makes the crossing of the pipeline trench hazardous or impassable. SWA will not reimburse a landowner for any repair located within a road right-of-way. The area where the soil in the pipeline trench has settled must be inspected by SWA prior to repair, and repair must be completed and inspected prior to reimbursement.

XIV. TEMPORARY SERVICE

SWA will supply service for temporary purposes, provided SWA has water available in excess of regular needs and provided SWA has available material and equipment necessary to supply said service. Each applicant for such service may be required to pay in advance to SWA the cost of a hydraulic study and labor, mileage, and materials, (less salvage value on removal), for installing and removing such service at the rates established by SWA. Payment for water usage will be billed on a monthly basis.

XV. CONNECTION TO TRANSMISSION PIPELINE

Any customer living along a transmission pipeline and wanting water service along the transmission pipeline before the service area is built must submit an application to SWA. Each application will be reviewed on a case by case basis. The customer must have an application for water service before the request is made. The customer must pay all expenses connected with receiving service. The customer will be informed that any pipeline constructed to provide service may have to be abandoned when that service area is constructed.

XVI. EXTENSION OF TRANSMISSIONS - CURB STOPS - RELOCATIONS - WET TAPS

The following conditions will prevail for **Subsequent** applications involving extension of transmission pipelines. **Transmission Pipelines will only be extended for Standard, High Consumption, and Contract customer hookups.** SWA reserves the right to approve or deny applications for service, involving the extension of transmission pipelines.

- A.** SWA's determination for transmission pipeline extension will be based on review and recommendation of SWA staff and project engineer. Items to be reviewed will include availability of water, hydraulics, potential customers, easement acquisition, and cost. In the event SWA does not have funds available to make its transmission pipeline extension contribution, it may agree to extend service provided the applicant agrees to deposit the total cost of the extension. In such case, SWA may, as funds become available, return to the applicant that portion of his deposit equal to SWA's transmission pipeline extension contribution. No interest will be paid on such deposits nor will SWA authorize its obligation to be paid through reduced water charges. In the event that a subsequent customer wants to tap into a transmission line financed by a previous subsequent customer, they must pay a prorated amount to said customer prior to tapping such transmission line. They in turn will also be eligible for reimbursement by SWA as noted in this section.
- B.** In those cases where extension of standard water transmissions proves to be too costly, or capacity is not adequate, SWA may authorize service on a "constant flow" basis. In this case, the applicant will be responsible for all costs to provide such service as determined by the SWA.
- C.** Request for relocation of SWA's facilities to accommodate the needs of customers or others will be done only if there is an agreement entered into which provides that the cost of such relocation is borne by the beneficiaries of such relocation.

- D.** Any new connection to be made to SWA's water pipelines, where there is not an existing curb stop, or the previously installed water pipeline and curb stop was not kept serviceable due to a termination of service, will be termed a wet tap hookup. All customers requiring this procedure will in addition to the sign up fee and good intention fee, be responsible for all costs for the wet taps and for construction.
- E.** The applicant will be charged a wet tap fee and application fee which include the tapping saddle, meter assembly, and curb stop assembly. The customer is responsible for all other expenses involved in the connection of the new sign up.
- F.** If the customer provides someone to perform the wet tap, and requires SWA service personnel on site there may be a charge for a service call plus an hourly rate if the wet tap is not ready when SWA service personnel arrive. If SWA does the wet tap or hires someone to do it, the customer will be charged the minimum for a service call plus actual expenses.
- G.** Prospective customers requesting service from an existing service line may not proceed until it has been determined by SWA that an adequate supply and capacity of water is present.

XVII. COMPLAINTS - ADJUSTMENTS

- A.** If the customer believes his meter reading to be in error, he will present his claim at SWA's office before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, will not be effective in preventing discontinuance of service. The customer may pay such bill under protest and said payment shall not prejudice his claim.
- B.** Meters will be tested at the request of the customer upon payment of a meter testing fee to SWA, however, if the meter is found to over or under-register beyond three percent of the correct volume, no charge will be made.
- C.** The customer will not break the meter seal. SWA may test a meter with a broken seal. The customer will be subject to pay the actual cost to SWA of making such test.
- D.** There will be a minimum charge as set by SWA for service calls. If the problem is with SWA pipelines or facilities, the customer will bear no expense. If the problem is with the customer's service line or equipment, the customer will be charged mileage and actual expense in addition to the minimum charge.

XVIII. SUSPENSION OR TERMINATION OF SERVICES

- A.** When services are permanently discontinued and all bills paid, the tenant deposit, if any, will be refunded.

- B.** Upon discontinuance of service for non-payment of bills, the deposit will be applied by SWA toward settlement of the account. Any balance will be refunded to the customer. If the deposit is not sufficient to cover the bill, SWA may proceed to collect the balance in the usual way provided by law for the collection of debts.
- C.** Service discontinued for non-payment of bills will constitute a disconnection and will be restored only after bills are paid in full provided water capacity is still available. Payment should include the accumulated monthly minimum bill since the date service was discontinued, any requested deposits, service charge, and installation charge for each meter reconnected.
- D.** When water service is disconnected at the request of the customer, the customer waives his/her rights to water service at the meter location in question. Any application for water service at a later time will be considered a new sign up and will only be served if it is determined that water capacity exists to serve the location, the customer agrees to pay the cost to determine if water capacity exists, and agrees to pay a reconnection cost or minimum bill accumulated since the time of disconnection of the meter at the location plus actual reconnection costs, whichever is less. This rule also applies to customers who paid the required minimums stipulated in their contract.
- E.** SWA reserves the right to discontinue its service without notice for the following additional reasons:
1. To prevent fraud or abuse
 2. Customer's willful disregard of SWA's rules
 3. Emergency repairs
 4. Insufficiency of supply due to circumstances beyond SWA's control
 5. Legal processes
 6. Direction of public authorities
 7. Strike, riot, fire, accident, or any unavoidable cause
 8. To prevent system contamination through an unintentional or intentional cross-connection.
- F.** Interruption of service to the customers will be planned whenever practical so that it will be of the least inconvenience to the customers, and when possible, will be planned far enough in advance so that the customers may be notified.
- G.** SWA may, in addition to prosecution by law, permanently refuse service to any customer who tampers with the system, including a meter or any other equipment.
- H.** SWA may assess a penalty to any customer using water without permission.
- I.** The provisions of these rules governing the suspension of services may be applied by the Manager as deemed appropriate.

- J.** Cross connections are considered a very serious violation of the rules and regulations because of the serious potential to contaminate the Southwest Pipeline distribution system. Customers found to have cross connections during random system spot checks are subject to immediate termination of service. Cross connections that are not adequately protected will not be tolerated. Customers who have questions concerning cross connections should contact SWA.

XIX. TRANSFER OF SERVICE – SPECIAL RULES

A customer may be allowed to disconnect service at one location in order to transfer water service to another location under the following circumstances:

- A.** The customer is located in an area that has no additional capacity.
- B.** The new location will be a subsequent customer; however, the customer will have to sign a five-year agreement.
- C.** This transfer of service will be looked at on a case by case basis as are all subsequent customers.
- D.** The type of customer will be considered in the switch. If the customer is a standard customer at the current location, they will remain a standard at the new location.
- E.** The new signup will be hydraulically feasible to serve the location.
- F.** The customer will be required to sign up for water service at the new location and pay the current subsequent customer signup fee.
- G.** No refund of the signup fee will be given if unable to serve the customer at the new location or if the customer changes their mind and does not want service at the new location.
- H.** If the customer cannot be served at the new location or decides they do not want service at the new location, the original contract and term must be fulfilled and will be enforced.
- I.** If it is determined that there will be O&M issues due to the change, either the change in service will not be allowed or the costs for such issues will be borne by the customer.